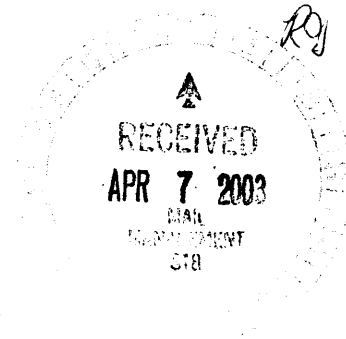




**SURFACE TRANSPORTATION BOARD**  
**Washington, DC 20423**

*Office of Economics, Environmental Analysis and Administration*



March 31, 2003

Mr./Ms. \_\_\_\_\_

Agency Name

Agency Address

Re: STB Finance Docket No. 34284, Southwest Gulf Railroad Company –  
Construction and Operation Exemption – Medina County, TX;  
**Request for Preliminary Comments**

Dear \_\_\_\_\_:

On February 27, 2003 Southwest Gulf Railroad Company (SGR) filed a petition for exemption from the requirements of 49 U.S.C. 10901 with the Surface Transportation Board (Board) to construct and operate a rail line from a proposed Vulcan Materials Company (VMC) limestone quarry to a connection with the Union Pacific Railroad Company (UP) in Medina County, Texas. The proposed rail line would consist of approximately seven miles of single-track railroad from the quarry to milepost 250 of UP's Del Rio Subdivision near Dunlay, Texas, as well as either a 2-mile long loading loop or a 1-mile long straight track, which could include one or more parallel loading tracks, within the quarry grounds.

Pursuant to the requirements of the National Environmental Policy Act of 1969, the Board's Section of Environmental Analysis (SEA) is conducting an environmental analysis of the proposed rail line construction and operation. As part of our environmental analysis, SEA is requesting comments from Federal, state and local agencies, such as yours, that may have information regarding the environmental impacts of this project.

Based on preliminary information submitted by SGR, enclosed with this letter is a brief description of the proposed project and alternatives. I would appreciate receiving any comments you may have on the proposed action, as well as the alternatives described. If possible, I would prefer to receive your comments no later than May 1, 2003. SEA will incorporate the findings of its environmental analysis into an appropriate environmental document and will provide you with a copy of the document for review and comment.

URS Corporation, SEA's independent third-party consultant for this project, is working under the supervision, direction and control of SEA to assist in the preparation of the appropriate environmental document. Thus, I request that you send your comments directly to the URS Project Manager at the following address:

Ms. Jaya Zyman-Ponebshek  
URS Corporation  
P.O. Box 201088  
Austin, TX 78720-1088

If you have any questions or require more information regarding this project, please do not hesitate to contact me or Rini Ghosh of my staff at (202) 565-1539.

Sincerely,

A handwritten signature in black ink, appearing to read "Victoria Rutson". The signature is fluid and cursive, with a large initial "V" and a stylized "R".

Victoria Rutson  
Chief  
Section of Environmental Analysis

Enclosure

cc: Jaya Zyman-Ponebshek (URS Corporation)

## **SYNOPSIS OF THE SOUTHWEST GULF RAILROAD COMPANY RAIL PROJECT IN MEDINA COUNTY, TEXAS**

### **Background**

Southwest Gulf Railroad Company (SGR), a wholly owned subsidiary of Vulcan Materials Company (VMC), plans to construct and operate a rail line to connect a proposed VMC stone quarry to the Union Pacific Railroad Company (UP) main line railroad in Medina County, Texas, about 30 miles west of San Antonio, Texas. SGR has filed with the Surface Transportation Board (Board) a petition for exemption from the requirements of 49 U.S.C. 10901 to construct and operate approximately 7 miles of single-track railroad. SGR has also proposed to construct and operate either a 2-mile long loading loop or a 1-mile long straight track, which could include one or more parallel tracks, within the quarry property, which would not be subject to Board jurisdiction. Pursuant to the Council on Environmental Quality's regulations for implementing the provisions of the National Environmental Policy Act at 40 CFR 1508.25 both the proposed Board jurisdictional rail line and the loading loop will be considered in the Board's environmental review.

VMC plans to locate the new quarry in the north central part of Medina County. The quarry would produce crushed stone aggregate for highway and other construction purposes. Although the proposed rail line would primarily serve VMC's new stone quarry, it would also be available to serve any other nearby industries, including other quarries, in the future. According to SGR, when the rail line is in operation, it will be shipping about 5 million tons of rock per year (416 trains, with 100 cars each, per year) or about four movements per day (2 leaving loaded and 2 returning empty), assuming a 250-day work year.

### **Description of SGR's Preferred Route**

SGR states that the proposed rail line would consist of a single-track rail line between the planned quarry site and the nearest Class I rail line, which is UP's Del Rio Subdivision, as shown on the attached map. The UP rail line is located approximately seven miles south of the quarry site, and the SGR line would meet the UP rail line at approximately milepost 250 of the UP line, at a point near Dunlay, Texas.

Despite its proximity to San Antonio, Medina County has a population of about 33,000 persons. The area is mostly rural, composed of relatively dry and flat farmland and pastureland. The proposed rail line would not traverse any incorporated or densely populated areas and would not cross any other rail lines. SGR's preferred route would cross some lightly traveled county paved and unpaved roads and one state maintained road (FM 2676), but would not cross any major highways. No Federal lands would be traversed and, apart from the road crossings, no state owned property would be traversed. SGR states that the line would cross only two drainage features with intermittent seasonal flow (Quihi and Elm Creeks).

While there is some local market in the San Antonio area for the aggregate that would be produced at the proposed new quarry, according to SGR, the primary market for the aggregate is in the eastern part of Texas, including the Greater Houston area. Since truck transportation of stone products becomes increasingly inefficient and uneconomical for distances much over 50 miles, VMC intends to rely on rail transportation from the quarry to the market destinations. SGR states that when the quarry is in operation, it will produce approximately 5 million tons of stone per year. According to SGR, transporting that volume of stone from the quarry to a remote rail yard by truck would involve in excess of 215,000 round trips per year (over 850 per day).

### **Alternatives to SGR's Preferred Route**

SGR states that its preferred route of the proposed rail line, although not necessarily the shortest possible route between the existing UP line and the proposed quarry, avoids environmentally sensitive areas, such as wetlands. The route is relatively flat, which minimizes construction costs and limits the number of individual property owners to as few as 10 (not counting the property that is owned by VMC). According to SGR, the route crosses the state-maintained road (FM 2676) in a location that affords high visibility in both directions. The route also takes maximum advantages of existing property lines and fence lines and reduces splitting large tracts of land.

SGR preliminarily examined a total of eight routes (with minor variations within the routes), and evaluated the routes for avoidance of wetlands, favorable topography and the number of properties crossed. SGR determined that four of the eight original alternatives met the criteria for further evaluation. In addition to SGR's preferred route described above, the three alternative routes considered were:

Alternative Route 1 would connect with the UP rail line approximately 3 miles west of SGR's preferred route. This route is approximately 2 miles longer than the preferred route and crosses in excess of 20 individual properties.

Alternative Route 2 would connect with the UP rail line in the same location as the SGR's preferred route. This route swings farther west than SGR's preferred route, increasing the distance by approximately 1,000 feet and crosses in excess of 18 individual properties.

Alternative Route 3 would connect with the UP rail line in the same location as Alternative Route 2 and SGR's preferred route. This route swings farther east and then cuts back to the west diagonally across several properties. This route is nearly 2,500 feet longer than the preferred route and crosses in excess of 16 individual properties.

VMC also considered alternative ways to transport quarried materials to the UP rail line, such as a conveyor system. VMC rejected the conveyor system option, because

of the economic cost of building and maintaining more than seven miles of belts, idlers, and idler tables. In addition, SGR states that such a conveyor would require the construction of a remote rail yard and possibly an additional aggregate finishing plant north of the UP rail line.

The no-build alternative would require the use of trucks to carry the aggregate from the quarry to the UP line. This alternative would also require the construction of a remote rail yard and possibly an additional aggregate finishing plant north of the UP rail line. According to SGR, this would significantly reduce the economic benefit of distributing quarry products to markets in southeast Texas, the opportunity of capitalizing on the rail distribution network, and the ability to attract capital investment for the development of Medina County. In addition, according to SGR, based on the recent and projected growth in population of the southeast Texas region along with its accompanying demands for infrastructure development, when combined with the limited and declining resources of existing aggregate operations, the no-build alternative has potentially far-reaching negative economic impacts on the region.

Attached is a map outlining SGR's preferred route and the three alternative routes considered.

